



Universal Service Administrative Company  
Schools & Libraries Division

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**Administrator's Decision on Appeal – Funding Year 2011-2012**

October 12, 2016

Cindy Johnson  
E-Rate Services, LLC  
P. O. Box 987  
Sanford, NC 27330

Re: Applicant Name: ROBESON COUNTY PUBLIC SCHOOLS  
Billed Entity Number: 126994  
Form 471 Application Number: 813171  
Funding Request Number(s): 2209247  
Your Correspondence Dated: September 24, 2016

After thorough review and investigation of all relevant facts, the Schools and Libraries Division (SLD) of the Universal Service Administrative Company (USAC) has made its decision in regard to your appeal of USAC's Funding Year 2011 Notification of Commitment Adjustment Letter for the Application Number indicated above. This letter explains the basis of USAC's decision. The date of this letter begins the 60 day time period for appealing this decision. If your Letter of Appeal included more than one Application Number, please note that you will receive a separate letter for each application.

Funding Request Number(s): 2209247  
Decision on Appeal: **Denied**  
Explanation:

- During the appeal review of your FCC Form 471# 813171 you requested reversal of the COMAD decision to seek recovery of improperly disbursed funds. It has been determined that for FRN 2209247 the applicant failed to comply with the FCC's competitive bidding rules. FCC rules require applicants to conduct a fair and open competitive bidding process that is free from conflicts of interest. (Lazo Technologies Order, DA 09-1797, para. 5). Consistent with this requirement, all service provider gifts were prohibited during the funding year that the contract for this FRN was awarded to Time Warner Cable Information Services (TWCIS). The Sixth Report and Order (FCC 10-175, para. 88) makes clear that the FCC's restrictions on gifts were always applicable and gift activities that occur outside of the bidding process may undermine the competitive bidding process. Applicants are required to certify on the FCC Form 471 that they have not received anything

of value from service providers. The documentation provided to USAC shows that on February 3, 2007, a school employee was offered and accepted gifts from TWCIS in the form of two tickets to TWC Suite for a basketball game. The resale value of the tickets was over \$150 apiece. Since the acceptance of the gift occurred at the time of the filing of the FCC Form 470 that established the bidding for this contract, any contract signed as a result of that competitive bidding process and the duration of that contract is in violation of competitive bidding requirements. The acceptance of these tickets violated the FCC's requirements to conduct a fair and open competitive bidding process. Consequently, your appeal is denied.

- An eligible school, library, or consortium that includes an eligible school or library shall seek competitive bids for all services eligible for support under the program. *See* 47 C.F.R. sec.54.503(b). All entities participating in the schools and libraries universal service support program must conduct a fair and open competitive bidding process. *See* 47 C.F.R. sec.54.503(a). An eligible school, library, or consortium may not directly or indirectly solicit or accept any gift, gratuity, favor, entertainment, loan, or any other thing of value from a service provider participating in or seeking to participate in the schools and libraries universal service program. No such service provider shall offer or provide any such gift, gratuity, favor, entertainment, loan, or other thing of value. Modest refreshments not offered as part of a meal, items with little intrinsic value intended solely for presentation, and items worth \$20 or less, including meals, may be offered or provided, and accepted by any individuals or entities subject to this rule, if the value of these items received by any individual does not exceed \$50 from any one service provider per funding year. *See* 47 C.F.R. 54.503(d)(1). The terms "school, library, or consortium" include all individuals who are on the governing boards of such entities (such as members of a school committee), and all employees, officers, representatives, agents, consultants or independent contractors of such entities involved on behalf of such school, library, or consortium with the E-rate Program, including individuals who prepare, approve, sign or submit E-rate applications, technology plans, or other forms related to the E-rate Program, or who prepare bids, communicate or work with E-rate service providers, E-rate consultants, or with USAC, as well as any staff of such entities responsible for monitoring compliance with the E-rate Program. The term "service provider" includes all individuals who are on the governing boards of such an entity (such as members of the board of directors), and all employees, officers, representatives, agents, or independent contractors of such entities. *See* 47 C.F.R. sec. 54.503(d)(2)(i) and (ii).

Since your appeal was denied in full, dismissed or cancelled, you may file an appeal with the FCC. Your appeal must be postmarked within 60 days of the date on this letter. Failure to meet this requirement will result in automatic dismissal of your appeal. You should refer to CC Docket No. 02-6 on the first page of your appeal to the FCC. If you are submitting your appeal via United States Postal Service, send to: FCC, Office of the Secretary, 445 12th Street SW, Washington, DC 20554. Further information and options for filing an appeal directly with the FCC can be found under the Reference Area/"Appeals" of the SLD section of the USAC website or by contacting the Client Service Bureau. We strongly recommend that you use the electronic filing options.

We thank you for your continued support, patience and cooperation during the appeal process.

Schools and Libraries Division  
Universal Service Administrative Company

cc: Everette Teal